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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
March 1961

Number 8

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY-MARCH 1961

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk \$4.89, Excess Milk \$3.17. The butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During March 75.3% of producer milk was priced in Class I at \$5.29 per cwt. with a butterfat differential of 7.9 cents and 24.7% was priced in Class II at \$3.21 per cwt. with a butterfat differential of 7.0 cents. The percent of producer skim and butterfat priced in Class I was 75.8% and 63.0% respectively. Base milk was 90.4% and excess milk was 9.6% of the total producer deliveries. All excess milk and 16.8% base milk was priced in Class II and 83.2% of base milk was priced in Class I.

The daily average deliveries of producer milk during March increased 6.6% compared with February and increased 21.0% compared with March 1960. The daily average use of Class I milk decreased 0.5% compared with February and decreased 1.7% compared with March 1960. The daily average base delivered was 94.6% of the established base. The daily average pounds per farm was 693 or a net increase of 139 pounds (16 gallons) per farm over March 1960.

NUMBER OF FARM PAYROLL ACCOUNTS

	1960										1961		
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total	701	702	697	695	690	700	707	702	699	693	682	680	679
New	0	3	0	2	3	17	21	6	4	2	2	1	2
Quit	3	2	5	4	8	7	14	11	7	8	13	3	3

MILK SAMPLES TESTED - Producer Fresh Samples 5,942 - Handler Finished Products 305.

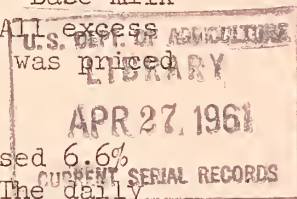
During March an average of 8.8 samples per producer was used to determine butterfat content and pay test. Other samples were used to determine water, bacteria, antibiotics, etc. by the plants and various agencies.

USDA ANNOUNCES INCREASED DAIRY SUPPORT PRICES

Secretary of Agriculture Orville L. Freeman announced March 10, 1961 that, effective immediately and extending through the next marketing year which begins April 1, 1961, prices to producers for milk and butterfat will be supported at \$3.40 (national average butterfat test 3.83%) a hundredweight of manufacturing milk and 60.4 cents a pound of butterfat.

The support prices are increased from \$3.22 for manufacturing milk and 59.6 cents for butterfat in effect since last September 17.

These prices are about 83 percent of the parity equivalent price for manufacturing milk and about 81 percent of parity for butterfat, based on the latest parity data.



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Mar. '61</u>	<u>Feb. '61</u>	<u>Mar. '60</u>
Number of Plants (Pool and Non-Pool)	19	19	19
GROSS RECEIPTS POUNDS (DAILY)			
Total Producer Milk	470,370	441,259	388,659
% March '61 compared with:	100.0	106.6	121.0
Other Source Milk	16,268	10,219	16,043
Other Order Milk	4,596	7,568	7,612
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>491,234</u>	<u>459,046</u>	<u>412,314</u>
% March '61 compared with:	100.0	107.0	119.1
GROSS UTILIZATION POUNDS (DAILY)			
Class I Milk:			
Fluid Milk	295,302	301,261	298,290
Fluid Skim	13,368	12,417	11,797
Buttermilk	38,448	38,358	39,745
Chocolate Milk	7,685	7,548	7,073
Fluid Creams	2,466	2,421	2,427
Bulk to Non-Handlers	86	272	8,623
Class I Shrinkage	1,838	1,840	1,448
Inventory Reclassification	(694)	(3,944)	(4,586)
Overstated Sales	(49)	(45)	(33)
Total Class I Milk	<u>358,450</u>	<u>360,128</u>	<u>364,784</u>
% March '61 compared with:	100.0	99.5	98.3
Class II Milk: (Used to Produce)			
Butter	10,599	7,377	5,876
Cottage Cheese	18,559	21,365	15,031
Powdered and Condensed Milk	72,076	41,369	1,668
Ice Cream	22,149	19,701	10,991
Inventory Variation	(638)	3,580	3,040
Other	10,039	5,526	10,924
Total Class II Milk	<u>132,784</u>	<u>98,918</u>	<u>47,530</u>
% March '61 compared with:	100.0	134.2	279.4
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>491,234</u>	<u>459,046</u>	<u>412,314</u>
% Producer Milk of Gross Class I	131.2	122.5	106.5
% Delivered Base of Gross Class I	118.7	-	101.2
% Delivered Base priced in Class I	83.2	-	97.6
% Producer Milk Priced in Class I	75.3	80.3	92.7

APRIL 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Apr. '61</u>	<u>Mar. '61</u>	<u>Apr. '60</u>
Basic Formula (See page 4)	\$3.61	\$3.62	\$3.47
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.10)	(0.08)	0.18
Class I Price, 4.0% Butterfat	\$5.26	\$5.29	\$5.40
Per \$ 1000.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: February and March
Supply: Lbs. Producer Milk (Feb. 12,355,243 and Mar. 14,581,487) 26,936,730
Demand: Lbs. Net Class I Milk (Feb. 10,064,874 and Mar. 10,995,400) 21,060,274
Utilization Percentage: Producer milk divided by Class I 128
Standard Utilization Percentage: Range 119-123 123
Net Deviation Percentage: Utilization minus Standard Utilization plus 5
Supply-Demand Adjustment: 2 cents x 5 percentage points minus \$0.10

Since the supply in relation to the demand is more than the desired standard, the price is decreased 10 cents per hundredweight (2 cents x 5 percentage points).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR MARCH 1961
Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt.Price @ Test	Value
Gross Class I		11,111,953	3.509		
Less Other Source		138,060	1.974		
Producer Milk Class I	75.3	10,973,893	3.528584	\$4.917581	\$539,650.08
Gross Class II		4,116,310	5.876		
Less Other Source		508,716	2.846		
Producer Milk Class II	24.7	3,607,594	6.303176	4.822223	173,966.23
TOTAL PROD.(Cl.I + Cl.II)	100.0	14,581,487	4.215043		713,616.31
Add Fractional Adjustment					.03
Add Compensatory Payment Value					39.02
Add Overage Value					219.59
Add Inventory Reclassification Value					371.24
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,596.46
TOTAL VALUE AT TEST		14,581,487	4.215043		719,842.65
Less Test Over 4% @ 7.6¢ per point		14,581,487	.215043	0.163433	23,830.96
TOTAL PRODUCER MILK VALUE AT 4% TEST		14,581,487	4.0		696,011.69
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,395,628	\$3.21	\$44,799.66	
Total Excess Producer Milk		1,395,628	3.21	44,799.66	
Less Prod.-Settlement Fund Res. @ 4¢		1,395,628	.04		558.25
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		1,395,628	3.17		44,241.41
Value of Base Milk (Total less Excess)		13,185,859	4.938715		651,212.03
Less Producer-Settlement Fund Reserve		13,185,859	.048715		6,423.49
UNIFORM BASE PRICE f.o.b. PLANT - 4%		13,185,859	\$4.89		\$644,788.54

MARCH 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$4.13	\$2.41	4.0%	\$4.89	\$3.17	5.0%	\$5.65	\$3.93
3.05	4.168	2.448	4.05	4.928	3.208	5.05	5.688	3.968
3.1	4.206	2.486	4.1	4.966	3.246	5.1	5.726	4.006
3.15	4.244	2.524	4.15	5.004	3.284	5.15	5.764	4.044
3.2	4.282	2.562	4.2	5.042	3.322	5.2	5.802	4.082
3.25	4.32	2.60	4.25	5.08	3.36	5.25	5.84	4.12
3.3	4.358	2.638	4.3	5.118	3.398	5.3	5.878	4.158
3.35	4.396	2.676	4.35	5.156	3.436	5.35	5.916	4.196
3.4	4.434	2.714	4.4	5.194	3.474	5.4	5.954	4.234
3.45	4.472	2.752	4.45	5.232	3.512	5.45	5.992	4.272
3.5	4.51	2.79	4.5	5.27	3.55	5.5	6.03	4.31
3.55	4.548	2.828	4.55	5.308	3.588	5.55	6.068	4.348
3.6	4.586	2.866	4.6	5.346	3.626	5.6	6.106	4.386
3.65	4.624	2.904	4.65	5.384	3.664	5.65	6.144	4.424
3.7	4.662	2.942	4.7	5.422	3.702	5.7	6.182	4.462
3.75	4.70	2.98	4.75	5.46	3.74	5.75	6.22	4.50
3.8	4.738	3.018	4.8	5.498	3.778	5.8	6.258	4.538
3.85	4.776	3.056	4.85	5.536	3.816	5.85	6.296	4.576
3.9	4.814	3.094	4.9	5.574	3.854	5.9	6.334	4.614
3.95	4.852	3.132	4.95	5.612	3.892	5.95	6.372	4.652

SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Mar. '60	\$5.07 ^{2/}	\$5.18	\$3.15	7.4¢	\$5.25	7.5¢	\$3.19	6.7¢
Apr.	4.93 ^{2/}	5.18	3.05	7.2	5.40	7.5	3.09	6.7
May	4.73 ^{2/}	4.96	3.02	7.2	5.34	7.5	3.06	6.7
June	4.83 ^{2/}	4.98	3.02	7.2	5.23	7.5	3.06	6.7
July	4.84 ^{2/}	5.03	3.02	7.2	5.25	7.5	3.06	6.7
Aug.	4.83	-	-	7.4	5.26	7.5	3.09	6.8
Sept.	4.84	-	-	7.6	5.14	7.7	3.50	7.0
Oct.	4.74	-	-	7.6	5.19	8.0	3.52	7.0
Nov.	4.85	-	-	7.6	5.30	7.9	3.55	7.1
Dec.	4.84	-	-	7.6	5.29	8.0	3.50	7.0
Jan. '61	4.96	-	-	7.6	5.43	7.9	3.50	7.0
Feb.	4.96	-	-	7.6	5.43	7.9	3.21	7.0
Mar.	4.73 ^{2/}	4.89	3.17	7.6	5.29	7.9	3.21	7.0
Apr.	-	-	-	-	5.26	7.9	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk Mfg.	
Mar. '60	3.095	57.970	13.070	34.750	3.47	3.20	3.38	3.19	3.47
Apr.	3.032	57.974	12.975	32.350	3.39	3.16	3.35	3.09	3.39
May	2.998	57.944	12.800	32.000	3.36	3.15	3.34	3.06	3.36
June	3.000	57.974	12.755	32.000	3.36	3.15	3.35	3.06	3.36
July	3.014	57.988	12.710	32.000	3.37	3.16	3.35	3.06	3.37
Aug.	3.076	59.041	12.720	33.062	3.45	3.22	3.40	3.09	3.45
Sept.	3.202	61.280	12.780	36.600	3.58	3.38	3.50	3.23	3.58
Oct.	3.311	60.773	13.085	37.750	3.69	3.38	3.52	3.25	3.69
Nov.	3.402	61.470	13.150	37.750	3.78	3.41	3.55	3.25	3.78
Dec.	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82
Jan. '61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80
Feb.	3.240	60.460	13.180	33.938	3.62	3.30	3.50	3.21	3.62
Mar.	3.228	60.466	13.120	34.700	3.61	3.31	3.50	3.21	3.61

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS 3/					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of		Farm--Pounds			Milk
	Cl.I	Cl.I	Repts.	Repts.	Repts.	Hdlr.Prod.		Prod.	Base	Exc.	Test%
Mar. '60	364,784	360,301	388,659	369,056	412,314	19	701	554	526	28	4.43
Apr.	364,048	359,098	443,554	393,065	457,996	19	702	632	560	72	4.19
May	336,344	331,632	444,101	390,950	461,097	19	697	637	561	76	4.16
June	327,515	322,519	390,059	360,248	406,662	19	695	561	518	43	4.11
July	327,075	322,754	391,646	354,554	408,644	19	690	568	514	54	4.06
Aug.	336,437	331,519	406,758	-	425,433	19	700	581	-	-	4.07
Sept.	384,465	379,222	453,829	-	465,087	18	707	642	-	-	4.12
Oct.	357,521	352,291	460,803	-	474,665	18	702	656	-	-	4.32
Nov.	357,666	350,651	456,802	-	473,350	18	699	654	-	-	4.41
Dec.	348,589	341,406	441,642	-	462,764	19	693	637	-	-	4.47
Jan. '61	350,656	344,899	438,453	-	453,505	19	682	643	-	-	4.46
Feb.	360,128	354,274	441,259	-	459,046	19	680	649	-	-	4.32
Mar.	358,450	353,996	470,370	425,350	491,234	19	679	693	626	67	4.22

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base